

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 02-0514P

Individual Income Tax

Calendar Year 2001

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ISSUE(S)

I. Tax Administration – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer, in a letter dated October 15, 2002 states that it remitted its first quarter estimated tax payment in the same envelope as its 2000 Indiana tax return mailed on April 15, 2001. The envelope contained two checks, one that was cashed, and one that was not. Taxpayer states he is certain that the check was enclosed and requests an abatement of penalty.

Taxpayer was assessed a penalty for the underpayment of estimated taxes.

I. Tax Administration – Penalty

DISCUSSION

Taxpayer states that it timely remitted its estimated payment for the first quarter 2001 taxes with its 2000 tax return which the Department lost. In addition, the Department cashed the check for the 2000 return and he is certain that the first quarter estimated tax payment was in the same envelope.

IC 6-8.1-10-2.1 states that a person is subject to a penalty if he "fails to pay the full amount of tax shown on the person's return on or before the due date for the return or payment.

IC 6-3-4-4.1 (c) states that "In the case of an underpayment of the estimated tax as provided in

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Section 6654 of the Internal Revenue Code, there shall be added to the tax a penalty in an amount prescribed by IC 6-8.1-10-2.1 (b)”.

Taxpayer has not provided reasonable cause; therefore, the Department finds the penalty appropriate.

FINDING

Taxpayer’s protest is denied.

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